

Assembly Bill No. 2823

CHAPTER 936

An act to amend Sections 16000 and 16100 of the Business and Professions Code, relating to business licenses.

[Approved by Governor September 25, 1996. Filed
with Secretary of State September 26, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2823, Harvey. Business licenses.

Existing law authorizes the legislative body of an incorporated city and the county board of supervisors to license businesses carried on within their respective jurisdictions and to set license fees as specified.

This bill would require a city or county, before it issues a business license to a person to conduct business as a contractor, to verify that the person is licensed by the Contractors' State License Board.

The people of the State of California do enact as follows:

SECTION 1. Section 16000 of the Business and Professions Code is amended to read:

16000. (a) The legislative body of an incorporated city may, in the exercise of its police power, and for the purpose of regulation, as herein provided, and not otherwise, license any kind of business not prohibited by law transacted and carried on within the limits of its jurisdiction, including all shows, exhibitions and lawful games, and may fix the rates of the license fee and provide for its collection by suit or otherwise. Any legislative body, including the legislative body of a charter city, that fixes the rate of license fees pursuant to this subdivision upon a business operating both within and outside the legislative body's taxing jurisdiction, shall levy the license fee so that the measure of the fee fairly reflects that proportion of the activity actually carried on within the taxing jurisdiction.

(b) No license fee levied pursuant to subdivision (a) that is measured by the licensee's income or gross receipts, whether levied by a charter or general law city, shall apply to any nonprofit organization that is exempted from taxes by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, or the successor of either, or to any minister, clergyman, Christian Science practitioner, rabbi, or priest of any religious organization that has been granted an exemption from federal income tax by the United

States Commissioner of Internal Revenue as an organization described in Section 501(c)(3) of the Internal Revenue Code or a successor to that section.

(c) Before a city, including a charter city, issues a business license to a person to conduct business as a contractor, as defined in Section 7026, the city shall verify that the person is licensed by the Contractors' State License Board.

SEC. 2. Section 16100 of the Business and Professions Code is amended to read:

16100. (a) The board of supervisors may in the exercise of its police powers, and for the purpose of regulation, as herein provided, and not otherwise, license any kind of business not prohibited by law, transacted and carried on within the limits of its jurisdiction, including all shows, exhibitions, and lawful games, and may fix the rate of the license fee and provide for its collection by suit or otherwise.

(b) No license fee levied pursuant to subdivision (a) that is measured by the licensee's income or gross receipts, whether levied by a charter or general law county, shall apply to any nonprofit organization that is exempted from taxes by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, or the successor of either, or to any minister, clergyman, Christian Science practitioner, rabbi, or priest of any religious organization that has been granted an exemption from federal income tax by the United States Commissioner of Internal Revenue as an organization described in Section 501(c)(3) of the Internal Revenue Code or a successor to that section.

(c) Before a county issues a business license to a person to conduct business as a contractor, as defined by Section 7026, the county shall verify that the person is licensed by the Contractors' State License Board.

